

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 16753 212348Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SEC-01 JUSE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05
SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 FEA-01 AF-10 ARA-10 EA-10 NEA-10 OIC-02
/144 W

-----076885 220308Z /70

R 211732Z NOV 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 3219
INFO ALL EC CAPITALS
USMISSION GENEVA

LIMITED OFFICIAL USE BRUSSELS 16753

USEEC

PARIS ALSO FOR OECD

E.O. 11652: N/A
TAGS: EEC, ETRD, EINV, EGEN
SUBJECT: EC TALKING PAPER ON EXTRATERRITORIAL APPLICATION
OF US LAW

REF: BRUSSELS 16602

1. ANNEX TO EC TALKING PAPER (REFTEL) CONTAINED FOLLOWING
SPECIFIC POINTS AS EXAMPLES:

2. QUOTE TAX REFORM ACT OF 1976 - TREASURY GUIDELINES:

3. SECTION A BOYCOTT REPORTS

A - 14 Q AND A

RELATES TO REQUIREMENT OF "COMPANY C" TO REPORT OPERA-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 16753 212348Z

TIONS, ETC. OF FOREIGN PARENT OR SISTER CORPORATION.
REQUIREMENT TO REPORT MAY BE WAIVED IF "COMPANY C" (A) NOT
ENTITLED TO ANY BENEFITS INCLUDING DISC OR (B) APPLIES
INTERNATIONAL BOYCOTT TO ALL CREDITS TO WHICH ENTITLED
OR (C) IDENTIFIES SPECIFICALLY ATTRIBUTABLE TAXES AND
INCOME, FORFEITING BENEFITS WHERE ATTRIBUTION NOT POS-
SIBLE. WHERE "COMPANY C" REQUIRED TO REPORT ON BEHALF

OF FOREIGN CORPORATION MUST INCLUDE ALL OPERATIONS, ETC.
"EVEN IF...NOT EFFECTIVELY CONNECTED WITH A UNITED STATES
TRADE OR BUSINESS."

THIS APPEARS TO MEAN THAT THE GUIDELINES IN EFFECT
DISCRIMINATE AGAINST US SUBSIDIARIES OF FOREIGN BANKS
BY PLACING EXCESSIVE BURDEN OF REPORTING REQUIREMENTS
ON THEM NOT REQUIRED OF US DOMESTIC BANKS.

4. EXPORT ADMINISTRATION AMENDMENTS OF 1977 - IMPLEMENT-
ING REGULATIONS

PARAGRAPH 369.1 DEFINITIONS REFER TO:

(D) ACTIVITIES IN THE INTERSTATE OR FOREIGN COMMERCE OF
THE US

(5) ANY TRANSATION BETWEEN A "CONTROLLED IN FACT"
SUBSIDIARY AND US PERSON IS AN ACTIVITY IN US COMMERCE.
WHETHER SUBSEQUENT TRANSACTIONS ARE IN US COMMERCE
DEPENDS ON THEIR NATURE.

(6) IF ANY PART OF A TRANSACTION IS IN US COMMERCE, THE
ENTIRE TRANSACTION IS IN US COMMERCE.

THERE APPEARS TO BE A DANGER THAT TRANSACTIONS BY FOREIGN
SUBSIDIARIES WHICH, UNDER THE EXCEPTIONS, WOULD NOT BE
IN US COMMERCE, MAY IN FACT BE REGARDED AS COVERED BY
PROVISIONS OF THE ACT THROUGH AMBIGUITIES IN THE REGULA-
TIONS. UNQUOTE. HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTITUTIONAL LAW, BRIEFING MATERIALS, TAX REFORMS, MULTINATIONAL CORPORATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE16753
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770432-0231
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771136/aaaabepo.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: df4b3e15-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 16602
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 511443
Secure: OPEN
Status: NATIVE
Subject: EC TALKING PAPER ON EXTRATERRITORIAL APPLICATION OF US LAW
TAGS: ETRD, EINV, EGEN, US, EEC
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/df4b3e15-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009